

SPECIAL SUPERINTENDENT'S WEBCAST

2019 Novel Coronavirus (COVID-19)
Finance Info and Q & A
April 7, 2020



Agenda

P-12 Funding



- Current FY20
- Budget Bill HB 352 (2020)
 - Support Education Excellence in Kentucky (SEEK)
 - Grant programs
 - Overall budget provisions affecting local school districts
- School and Community Nutrition
- Federal Legislation – COVID-19
 - Coronavirus Aid, Relief and Economic Security (CARES) Act
 - Federal Emergency Management Agency (FEMA)
 - Families First Act
- Questions and Answers

Current Fiscal Year FY20



- SEEK Payments for FY20 shall continue on schedule
- <https://education.ky.gov/districts/SEEK/Pages/default.aspx>
- HB 352 (2020), P.31: (3) SEEK Lapse: Notwithstanding 2018 Ky. Acts ch. 169, Part I, C., 1., (3), any unexpended SEEK funds in fiscal year 2019-2020 shall lapse to the General Fund

Executive Branch Budget - HB 352 FY21



- <https://apps.legislature.ky.gov/recorddocuments/bill/20RS/hb352/bill.pdf>
- Budget is for FY21 only (one-year budget)
- Subject to veto (line item or full) by the governor and legislative override
- SEEK Forecast posted at:
<https://education.ky.gov/districts/SEEK/Pages/default.aspx>
- Communications with Department of Revenue on Property Assessments are ongoing
- SB 177 - SEEK - 2018-2019 attendance data will be used to calculate the adjusted average daily attendance used in calculating SEEK funds and any other state funding based in whole or in part on average daily attendance for the district

FY21 SEEK Input Information

- FY21 SEEK Per Pupil \$4,000

FY21	Forecast	Tentative	Final
Assessments	District Estimate	Partial Actual	Actual
Prior Year AADA	2018-2019	2018-2019	2018-2019
Fall Growth			Actual
January Growth			Actual
At Risk	2018-2019	2018-2019	2018-2019
Exceptional Children	Actual	Actual	Actual
Home/Hospital	2018-2019	2018-2019	2018-2019
LEP	District Estimate	Actual	Actual
Transportation	2018-2019	2018-2019	2018-2019



SEEK Language - Nickels

- Language included in the budget bill provides that no school district shall be equalized for an equivalent tax rate of more than 15 cents
- Recallable Nickel
 - Districts that have levied the recallable nickel prior to Jan. 1, 2018, are now equalized at 100% (previously equalized at 25%).
 - Districts that have levied the recallable nickel after Jan. 1, 2018, and before Jan. 1, 2020, are equalized at 25%.
- Original Growth Nickel
 - Language was included that provides 25% equalization for districts who have not previously received equalization on the Original Growth Nickel.
- Equalized Facility Funding (EFF) Nickel
 - Language was included that provides 25% equalization for districts who have not previously received equalization on the Equalized Facility Funding (EFF) Nickel.



School-Based Mental Health Services Providers

- \$7,412,500 included to fund additional school-based mental health services provider full-time equivalent positions.
- Kentucky Center for School Safety, in consult with Office State School Security Marshall, shall develop criteria to determine which districts receive funding.
- Criteria should include:
 - A district's use of Medicaid funding;
 - An equitable and balanced statewide distribution; and
 - Any other criteria to support a trauma-informed approach in schools.



Security Facility Upgrades



- Permits a district to modify a district facility plan (DFP) without convening local planning committee for the sole purpose of complying with KRS 158.162(3)(d).
- Unmet security requirement becomes highest priority on the modified DFP.
- Any DFP modification is subject to approval by the local board of education and commissioner of education.
- Capital Bond funds of \$18.2 million.

Grant Programs (LARS)

- Funding is provided for:

- AdvanceKY \$1.7M
- CCLD \$1.2M
- Community Education \$1.9M
- ESS \$23.9M
- FRYSC \$48.9M
- Gifted & Talented \$6.2M
- Hearing & Speech Ctr \$100K
- Heuser Hearing & Lang Ctr \$100K
- Jobs for America's Grads \$250K

KY Alliance of Boys & Girls Club \$250K

KECSAC \$9.5M

Math Achievement \$5.0M

Preschool \$84.5M

Read to Achieve \$15.9M

Safe Schools \$13.0M

Save the Children \$1.3M

Teach for America \$500K

VIPS \$250K



Grant Programs (LARS)

- Funding is not provided for:
 - PD
 - Commonwealth School Improvement
 - Leadership & Mentor
 - Middle School Academic Ach
 - Teacher's Professional Growth

Teacher Academy

Writing Program

KPIP

KTIP

KAET/MERR



Career and Technical Education

- Funding language for an area technology center (ATC) becoming a locally-operated center
 - Year 1 – shall receive not less than 100% funding
 - Year 2 – shall receive not less than 75% of the funding allocated the previous year



Other Provisions



Volkswagen Settlement – Energy & Environment Cabinet

- \$8,521,700 to reimburse school districts for 50% of the purchase cost to replace up to five school buses per district currently in daily use meeting the criteria with a chassis year of 2001 or earlier. Program administered by the Energy and Environment Cabinet.
- If funds are insufficient for requests by June 1, 2021, reimbursements shall be pro rata reduced.

Local School District Expenditure Flexibility

- Districts may adopt, for KBE approval, a working budget that includes a minimum reserve of less than 2% of the total budget. Reported to the KBE at every meeting.

School Building Plan Reviews and Inspections

- Notwithstanding KRS 198B.060, local governments may have jurisdiction for plan review, inspection and enforcement responsibilities over buildings intended for educational purposes, other than licensed day care centers, at the discretion of the local school districts.

Program Flexibility

- Districts may utilize ESS and Safe School funds for general operating.

State and Federal Grants

The KDE is awaiting guidance from the U.S. Department of Education as to whether an extension will be granted for school year 2018-2019 funds (Project “E” funds) which ends September 30, 2020.

- FY21 federal allocations will be posted on the website in late April
- FY21 Consolidated GMAP application will open early May
- FY21 District Funding Assurances and Federal Cash Request Assurance will be available in GMAP mid-May
- FY20 third quarter CDIP reports may be submitted in July
- FY20 state grant funds normally spent during the school year allocated, may be carried forward if the programs they support are suspended due to COVID-19
- Guidance documents relating to FY20 funding affected by COVID-19 are being revised and posted on the KDE website:
<https://education.ky.gov/comm/Pages/COVID-19-Updates.aspx>



Federal Child Nutrition Programs COVID-19 Feeding Options - USDA



Summer Food Service Program (SFSP)

- SFSP is designed to provide meals for children 18 and younger during the summer months or unanticipated school closures.
- Meal pattern is simplified for ease of service.

Seamless Summer Option (SSO)

- SSO is designed to provide meals for children 18 and younger when school is closed for 10 days or longer.
- Meal pattern is the same as the standard National School Lunch Program, including requirement to meet all dietary standards.

**Through USDA Food and Nutrition Services Nationwide Waivers - both programs now have significant flexibilities available during the COVID-19 closure.*

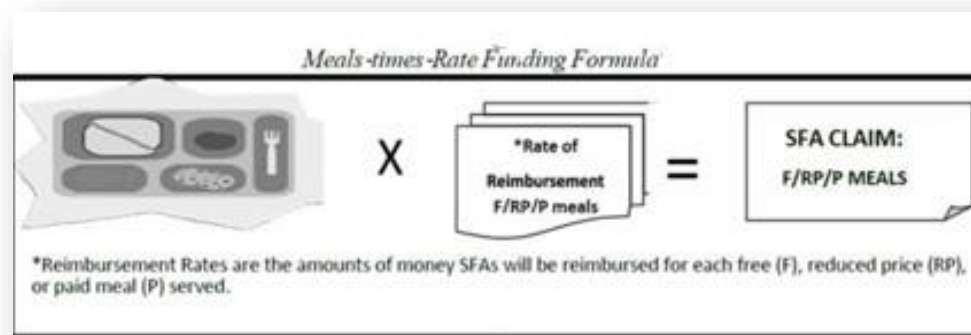
**During COVID-19 closure, five districts are participating in the SSO. All others are participating through the SFSP. [*USDA Nondiscrimination Statement](#)*

Reimbursement

Meals-times-Rate Funding Formula

- Federal reimbursement under the Child Nutrition Programs are determined solely by the meals-times-rate funding formula.
- Program operators report the number of meals served (not program costs) to the KDE. To be reimbursable, each meal served must meet all requirements set by program regulations.
- Rates are set annually by the USDA.

SFSP Rate of Reimbursement			SSO Rate of Reimbursement	
	Rural Self- Prep	Vended	Free Breakfast Standard	1.84
Breakfast	2.375	2.33	Free Lunch Standard	3.50
Lunch/ Supper	4.1525	4.0875	Free Snack Standard	.94
Snack	.9775	.955	Rates are the same as NSLP and SBP and vary per district based on level of need.	
KY school sistricts are all self-prep during COVID-19 closure.				



Program Costs & Procurement Considerations for USDA Child Nutrition Programs



General criteria for allowable costs to the food service program:

- Necessary for the operation of the program
- Reasonable in its nature and amount
- Allocable
- Consistent with policies and procedures that apply uniformly to both federally funded and other activities of the non-federal entity
- Consistently treated as direct or indirect

Procurement:

- Since this is a national health emergency, school food authorities (SFAs) can make emergency purchases without typical procurement procedures.
- SFAs must follow directions in the SFA Procurement Plan for SCN approval of emergency purchases.

Summer Food Service Program (SFSP): Allowable vs. Unallowable Costs



Allowable

- Food and non-food supplies
- Food service labor salaries/benefits
- Rental/maintenance of food prep. space/equipment
- Utilities
- Vehicle rental/maintenance for transporting food or children to feeding site
- Depreciation of nonexpendable equipment
- Administrative staff salaries/benefits
- Administrative office supplies, utilities, transportation, etc.

Unallowable

- Capital expenditures
- Purchasing of vehicles
- Fundraising
- Losses arising from uncollectable accounts
- Entertainment
- Costs for meals in excess of the number of meals eligible for reimbursement
- Rental costs for school food service facilities or equipment if rental agreement includes option-to-purchase and periods outside of SFSP operation
- Payment of overclaims, fines or penalties resulting from program violations

*SSO Program follows the same requirements as the National School Lunch Program and School Breakfast Program during the school year.

Federal Legislation COVID – 19

- Coronavirus Aid, Relief and Economic Security Act (CARES Act) – funding
 - Elementary and Secondary School Emergency Relief
 - Governor's Emergency Education Relief
- Federal Emergency Management Act (FEMA)
- Families First Coronavirus Relief Act
- Employer/employee directives



CARES Act

Coronavirus Aid, Relief and Economic Security Act
H.R. 748 – 116th Congress (2019-2020)



Federal Supplemental Appropriation:

- Education Stabilization Fund \$30.75B
 - \$2.9B - Governor's Emergency Education Relief Fund (9.8%)
 - \$13.2B - Elementary and Secondary School Emergency Relief Fund (43.9%)
 - \$13.9B - Higher Education Emergency Relief Fund (46.3%)

CARES Act – Elementary and Secondary School Emergency Relief Fund - \$13.2B

Formula Grants – \$193,187,000 for Kentucky (Congressional Research Service estimate)

- Set asides 0.5% outlying areas and 0.5% for Bureau of Indian Education schools
- 90% distributed to LEAs by Title I formula
- SEA may reserve up to 10% for grants and statewide emergency needs, including up to 0.5% for admin
- USED must issue notice inviting applications to SEAs within 30 days and approve SEA applications within 30 days



CARES Act – Estimated District Amounts Elementary and Secondary School Emergency Relief Fund

- \$13.23B Relief Fund is roughly 83% of the \$15.9B Title I-A funding for FY 2019.
- Kentucky's share is estimated at \$193,187,000.
- LEAs will receive approximately 83% of what they received in FY 2019 under Title I-A.
- Title I-A grant awards for Kentucky school districts may be found at: <https://education.ky.gov/districts/fin/Pages/Federal-Grants.aspx>.



CARES Act – Elementary and Secondary School Emergency Relief Fund (continued)

- Substantial local authority and discretion:
 - Any activities authorized under ESSA, IDEA, Perkins, Subtitle B of McKinney-Vento Homeless Assistance Act, Adult Education and Family Literacy Act
 - Coordinate emergency response
 - Support school leaders
 - Ensure preparedness and coordination
 - Purchase cleaning supplies
 - Purchase education technology
 - Mental health supports
 - Summer learning
 - Etc.



CARES ACT - Governor's Emergency Education Relief Fund - \$2.9B



Kentucky's estimated award \$43,795,000 (Congressional Research Service)

- Governors may, at their discretion, provide emergency support grants to LEAs that the SEA has identified as most significantly impacted by coronavirus.
- Support the ability of such LEAs to continue to provide educational services.
- Support on-going operations.
- May be used to provide emergency support through grants to institutions of higher education.

CARES Act – Funding Flexibilities to Support Continued Learning

USED Announced April 6, 2020 - Permits application for waiver of the following provisions to repurpose resources to areas of highest need:

- Title I, Part A - waive the 15% carryover limitation
- Extend the period of availability of prior fiscal year funds for
 - Title I, Parts A-D
 - Title II
 - Title III, Part A
 - Title IV, Parts A-B
 - Title V, Part B programs
 - McKinney-Vento Homeless Children and Youth program
- Title IV, Part A
 - waive a needs assessment to justify the use of funds;
 - waive content-specific spending requirements;
 - waive spending restrictions on technology infrastructure; and
 - waive the definition of "professional development," which might limit the ability to quickly train school leaders and teachers on topics like effective distance learning techniques.



Unanswered Questions

Awaiting Guidance from USED:

- Pre-award costs?
- Expended state and local funds recoded?
- Equitable services?
- “Significantly impacted” district?
- What about all the other funding gaps?



FEMA

- Pursuant to the Nationwide Emergency Declaration issued by the president on March 13, 2020, the Department of Homeland Security, Federal Emergency Management Agency (FEMA), is authorized to provide appropriate assistance for required emergency measures, authorized under Title V of the Stafford Act. Eligible activities must be undertaken to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in the designated areas.
- Request for Public Assistance Form: <https://www.fema.gov/media-library/assets/documents/10145>
- Recovery Branch email at: pa.help@ky-em.org
- **Deadline is April 13, 2020**
- Jessica Mitchell , Kentucky Emergency Management, Recovery Branch Manager, Phone: (502) 607-5762
- FEMA: <https://www.fema.gov/coronavirus>



Families First Coronavirus Response Act



- <https://www.dol.gov/agencies/whd/pandemic>
- <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>
- U.S. Department of Labor is the authoritative resource.
- Consult your local board attorney and district human resources professionals with individual staffing questions.
- Determinations are FACT specific!
- Local board policies – consult with KSBA.
- <https://education.ky.gov/districts/FinRept/Pages/COVID-19.aspx>

Families First Act



- Effective April 1, 2020, and applies to leave taken from April 1, 2020, through Dec. 31, 2020.
- Paid sick leave (up to 80 hours) at regular rate when employee is unable to work (quarantined or sick).
- Paid sick leave (up to 80 hours) at 2/3 rate to care for someone quarantined or a child if without child care.
- Paid Expanded Family and Medical Leave (up to additional 10 weeks) at 2/3 rate when employed at least 30 days and employee is unable to work due to need to take care of child due to unavailability of child care.

SB 177 – Emergency Leave

- During the 2019-2020 school year, a local board of education shall allow emergency leave to any full-time or part-time classified or certified employee, **if the local board determines it is necessary in relation to the COVID- 19 public health emergency.**
- No personal affidavit is required from employee.
- Requires local board action.



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Questions/Comments



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KDE COVID-19 Webpage

<https://education.ky.gov/comm/Pages/COVID-19-Updates.aspx>